



**Department for Children and Families**  
**Commissioner's Office**  
280 State Drive – HC 1 North  
Waterbury, VT 05671-1080  
[www.dcf.vt.gov](http://www.dcf.vt.gov)

[phone] 802-241-0929  
[fax] 802-241-0950

*Agency of Human Services*

April 5, 2017

Kris Monteith, Acting Bureau Chief  
Wireline Competition Bureau  
Federal Communications Commission

RE: Terminating Vermont's waiver to opt out of the National Lifeline Accountability Database

The Vermont Department of Public Service (DPS) respectfully seeks to terminate the waiver extended to Vermont from the Federal Communications Commission (FCC) Order in the matter of Lifeline and Link Up Reform and Modernization, WC Docket No. 11-42, adopted and released February 15, 2013 which allowed the State of Vermont to opt out of the National Lifeline Accountability Database (NLAD).

#### Background

The Vermont Lifeline program, including the application process and eligibility guidelines, are governed by statute 30 V.S.A. § 218. Vermont law also establishes a supplemental benefit to the federal Lifeline credit that is independently funded through the Vermont Universal Service Fund. Under the process set out in Vermont law, a state agency, the Vermont Department for Children and Families (DCF) makes eligibility determinations. These determinations are conveyed to eligible telecommunications carriers (ETCs) by the DCF.

Vermont has previously certified that its verification system is comprehensive, is at least as robust as the system adopted by the Commission, and is capable of detecting and eliminating duplicative support. However, the introduction of Lifeline credits for wireless carriers introduced new challenges for Vermont. The primary challenge with administering Lifeline for wireless providers is tied to the mobility of clients with Lifeline credits for cell phones. DCF's legacy IT system (ACCESS) lacks Lifeline benefit information from other states. Thus, Vermont is currently unable to determine if an applicant is already receiving a Lifeline credit purchased outside of Vermont. The Vermont public had been well served through its state-specific system and the FCC waiver by which Vermont operates its eligibility and duplicate checking processes, however, the proliferation of wireless Lifeline services and the introduction of broadband Lifeline credits further complicates duplication checks.

The DPS and DCF are now advocating for statutory changes in the current legislative session to align eligibility and processes with that of the FCC's 2016 *Modernization Order*. Through the collaborative process engaged in by the two respective Departments in Vermont's government, staff have identified additional efficiencies that could reduce the likelihood of waste, fraud, and abuse of the Lifeline program at both the state and federal level. The agencies





now jointly recommend that Vermont petition the FCC to reverse its earlier waiver and allow this state's participation in the NLAD.

### Discussion

Vermont has reconsidered its position with respect to NLAD. After reviewing the implementation of the NLAD system, Vermont believes that participating in NLAD will allow for a more streamlined transition to and alignment with the requirements set out in the 2016 *Modernization Order*. While it is possible for Vermont to continually invest in upgrading and managing its own system, this seems unnecessary when a robust alternative is available via the NLAD at the Universal Service Administrative Company (USAC).

Currently, Vermont completes duplicate checks, identity verification, and address authentication through DCF's benefit management database. Eligibility and household duplication checks are processed through a client management system. The data in that system are refreshed frequently because it is used for a variety of other eligibility determinations, such as managing Supplemental Nutrition Assistance Program (SNAP) benefits. The DCF database is particularly useful because eligibility specialists can research data and history for several benefit programs consolidated into one case and the database contains references and links to other households that might be related to the pending application. This tool has been helpful for the prevention of waste, fraud, and abuse. As noted above, although this system has worked well for landline voice ETCs, it needs significant upgrades to provide robust verification review for wireless carriers.

Wireless carriers that provide the Lifeline benefit are relatively new to the Vermont market. There are currently three carriers that offer or are preparing to offer Lifeline wireless services in Vermont: TracFone, QLink and Telrite. These provide significant additional opportunities to access cellular and mobile broadband services for low income Vermonters via the Lifeline program, however, Vermont's current verification systems are not well equipped to handle the additional client load from the entry of new wireless and broadband providers to the Vermont market.

In 2012, in seeking the waiver, Vermont expressed concern that allowing ETCs access to the DCF database would enable the ETCs to obtain information about a Lifeline subscriber's participation in other public benefit programs. Further, the DPS represented that access to this information could violate 33 V.S.A. § 111, Vermont's law regarding the privacy of information for those applying for public benefits through the Agency of Human Services.

Based on a review of USAC's processes and procedures, Vermont now believes that participation in the NLAD system can be achieved without running afoul of Vermont law. The DCF has worked closely with USAC to understand its data management practices and has been reassured by these conversations that USAC will be a responsible data sharing partner. The DPS believes that these two organizations are now likely poised to reach an agreement to share data and will enter into a formal contract that will provide the legal privacy protections necessary for the DCF to protect the vulnerable populations it serves. The DPS believes that this contract will have adequate safeguards to ensure that the data exchange will satisfy the requirements for exemptions to Vermont's privacy law.







Additionally, draft legislation is now pending that will give the DCF more flexibility in how it manages its eligibility processes and will more closely align the Vermont program with the federal Lifeline program. The DCF also currently has the legal authority to exercise a data sharing relationship with the USAC.

The DPS is of the view that Vermont must now use the NLAD to ensure that only one Lifeline benefit is provided to a household given the expansions of this program to broadband services. NLAD is a critical component of the Lifeline program and it is necessary for Vermont to participate in order to reduce the potential for duplication of benefits.

#### Summary

For the reasons cited in the discussion above, including reducing the potential for duplication of benefits, the Vermont Department of Public Service respectfully withdraws its petition which resulted in a waiver from the Federal Communications Commission on February 15, 2013 to allow the State of Vermont to opt out of the National Lifeline Accountability Database.

The Department of Public Service therefore respectfully requests that the Federal Communications Commission allow Vermont to participate in the National Lifeline Accountability Database.

Sincerely,

A handwritten signature in blue ink, appearing to read "Ken Schatz".

Commissioner Ken Schatz  
Department for Children & Families

A handwritten signature in blue ink, appearing to read "Daniel C. Burke".

Daniel C. Burke  
Special Counsel, Public Advocacy  
Department for Public Service

